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INSITES

Fall 1989

Community Economic Development Assistance Corporation

Special Annual Report Issue

Statement from the Chairman and the Executive Director

1989 has been a remarkable testament to the energy, commitment and productivity of the nonprofit housing sector in Massachusetts.

CEDAC celebrates its tenth anniversary this year, and to mark the occasion we are producing this special issue of *Insites* as our annual report.

Fiscal Year 1989, our most active to date, has been a remarkable testament to the energy, commitment and productivity of the nonprofit housing sector in

Massachusetts, which has flourished in the past ten years in part because of technical and financial support from CEDAC. In the past year we provided \$1.45 million in high-risk development assistance loans to 46 nonprofit organizations for 58 affordable housing projects. If all of these reach a construction loan closing, they will produce 3,660 housing units, 88 percent of them affordable.



Main Street Townhouses in Charlestown

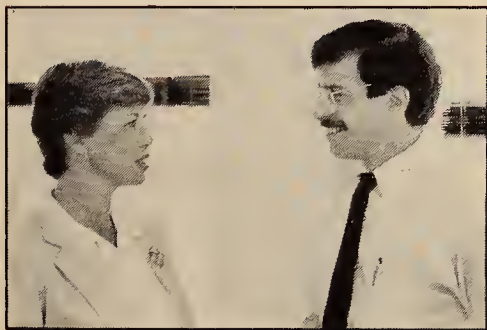
We had three major areas of activity this year:

Under CEDAC's traditional **Development Assistance Loans**, now funded chiefly through the Massachusetts Housing Partnership, we offered help to nonprofit developers in three different forms: front money loans, technical assistance advances, and site control loans. Demand grew. The \$1.45 million in commitments during FY 1989 (July 1, 1988–June 30, 1989) represents a 27 percent increase over the previous year – partly a reflection of maturing projects whose costs rise as they approach a construction start. Repayments, also reflecting the maturing of projects, rose even faster: \$746,000 was repaid in FY '89, up from \$380,000 in 1988 and \$108,000 in 1987. (See article on page 6.)

This was the first full year CEDAC provided underwriting and other services to the Executive Office of Communities and Development for the **Housing Innovations Fund** (article, page 2). HIF has not only provided the resources to make many previously unworkable projects feasible; it has brought a whole new group of nonprofit developers into play, namely social service organizations.

CEDAC's highest-risk development assistance loans to date represent our efforts to pioneer another model for preserving affordable housing – in this case for developments that face **Expiring Use Restrictions**, or EURs (article, page 4). CEDAC's EUR database continues to serve as an indispensable resource to state and local governments and to housing advocates.

This annual report edition of our newsletter describes these programs and some of the year's key achievements. We hope it will give you, the many people and institutions involved with CEDAC, a clear picture of how much the CEDAC models of support are enabling nonprofit developers in this state to achieve.



CEDAC's Acting Chairman, Linda L. Conroy, and Executive Director, Carl A. Sussman

Linda L. Conroy, *Acting Chairman* Carl A. Sussman, *Executive Director*

A Drastic Threat to Affordable Housing: CEDAC Helps Forge a Response

*Expiring Use Restrictions
threaten 29,000 affordable
rental units in Massachusetts
alone.*



Somerville's 500-unit Clarendon Hill Apartments



Clarendon Hill Towers Tenant Association floor representatives Libby Machado (front row left) and Anne Green (front row right) sit among fellow tenants during announcement that association signed an option to purchase the project from the original developer

Next to food on the table, there is nothing as important as a home," Governor Michael S. Dukakis told tenants, reporters, and local officials gathered last February 2nd at the Clarendon Hill Apartments in Somerville as tenant representatives signed an option to buy the apartment complex. Having once left energy costs, liability insurance, upkeep, and legal matters to the landlord, the tenants – many of them poor and elderly – had lately had to master the fine points of 501(c)(3) bonds, environmental studies, and capital needs assessments in order to preserve their homes. In the process they joined a small Massachusetts vanguard showing the nation how to confront an alarming housing problem that tenants and even housing advocates had almost overlooked.

Time Bomb

In the mid-1960s the federal government launched programs that stimulated developers to build affordable housing. Developers who took advantage of the government's inducements received generous subsidies and tax benefits on 40-year mortgages for their projects; in return they contracted to restrict rents

and offer apartments only to low- and moderate-income tenants for the life of the mortgage.

One little point in the arrangements for the HUD-assisted 221(d)(3) and 236 projects looked innocent enough at the time: the government's loan documents for the buildings said that private, for-profit owners could *prepay* their mortgages – and escape the rent and income restrictions – after only 20 years. At the time, no one anticipated that owners would have an incentive to prepay, but the unexpected boom in real-estate values since then has made for a drastic change in these projects' arithmetic. Even most housing specialists were unprepared for the sudden eruption of this problem in the late 1980s – which, as it turns out, threatens 29,000 affordable rental units in Massachusetts alone with escalation to market-rate rents or conversion to condominiums when their landlords' mortgages hit the 20-year mark.

Massachusetts Takes the Lead

Massachusetts, however, has not received news of this danger lying down. Taking the national lead in responding to the crisis over Expiring Use Restrictions, as

*"Next to food on the table,
there is nothing as important
as a home."*

Governor Michael S. Dukakis

they are called, Governor Dukakis and EOCED Secretary Amy Anthony moved to discourage owners from prepaying their mortgages, while the state worked to develop a more lasting answer whereby tenants' organizations or other groups committed to permanent affordability could acquire HUD-assisted EUR housing. Massachusetts is now pioneering this solution with the Clarendon Hill Apartments and two other projects being closely watched by housing specialists nationwide. The state's leadership on this problem, and the Clarendon Hill tenants' efforts to preserve their affordable housing, were the focus of a *New York Times* article in March highlighting EURs as a national problem.

CEDAC has played a key part in helping the state plan a response to Expiring Use Restrictions. As a first step, the staff compiled a computerized database that identifies the Commonwealth's EUR projects and their prepayment dates, along with a range of other information on factors – such as other potential use restrictions or the status of project-based subsidies – that might predispose landlords to prepay their mortgages. The database has been invaluable in alerting public officials, nonprofit developers, and tenant organizations to the problem and in helping target and guide preservation efforts.



Governor Michael S. Dukakis, Communities and Development Secretary Amy Anthony, Somerville Mayor Eugene Brune, and CEDAC's Carl Sussman participate in announcement of proposed state- and city-assisted tenant purchase of Clarendon Hill Apartments

A Risk Worth Taking

At the Clarendon Hill Apartments, a project sponsored by the Community Action Agency of Somerville, and at the Commonwealth and Glenville Apartments in the Brighton section of Boston, which the Allston-Brighton Community Development Corporation is planning to purchase, CEDAC has provided predevelopment loans and intensive staff assistance to help negotiate an option to purchase and to develop a financing package that represents a creative mix of local, state, and federal assistance.

These three projects – which because of their uncertain status and unusually costly negotiation and financial packaging expenses are probably CEDAC's riskiest loans – represent the first efforts in the nation to convey EUR developments to tenant or nonprofit groups within the requirements of the 1987 federal legislation governing prepayment of HUD-assisted mortgages. The sale of all three, even to nonprofit groups, still needs HUD approval and resources, which are far from assured.

Although not returning what the developers consider current market value, the sale would in each case bring them a profit they did not originally expect to see. Yet from the tenants' and the public's perspective, these projects are bargains compared to the cost of developing new properties. If the approach gains HUD approval, the Commonwealth will have a workable solution for many of these endangered projects and again will have taken a national lead in demonstrating how to confront an important housing challenge. ■

PROJECTS LAUNCHED
CEDAC-Assisted Projects Reaching Completion

Architectural detail on 706 Huntington Avenue



The Houston House



The Castro family is one of three first-time homebuyers who purchased newly constructed condominiums developed by Worcester Cooperation Council Inc. on LaGrange Street.



Large window fills living space in Houston House with sunlight

CEDAC's major focus continued to be the provision of development assistance loans. These Site Control Loans, Technical Assistance Advances, and Front Money Loans are very risky.

CEDAC makes these loans at the most formative stages of project planning. Not until the pieces ultimately come together and construction begins, often two to four years after CEDAC's first involvement, is it clear whether the loan will be repaid.

With the infusion of new Massachusetts Housing Partnership capital during the past three years, an increasing number of nonprofit affordable housing projects have navigated through the development process, achieving a construction start and occupancy.

The following sampling of such CEDAC-assisted projects demonstrates the efficacy of backing nonprofit developers.

■ **706 HUNTINGTON AVENUE** The Mission Hill Neighborhood Housing Services (MHNHS) has completed the substantial rehabilitation of this vacant former hotel near Brigham Circle into 37 residential units and two commercial spaces. The Brigham and Women's Hospital, the former owner of the property, agreed to donate 706 Huntington Avenue to the NHS for redevelopment as affordable housing. The NHS used SHARP rental subsidies and financial assistance from EOCD and the city of Boston to finance the renovations.

■ **INFILL PROPERTIES** The unfinished Infill Properties, built in the 1970s, had become symbols of failed efforts to address inner-city housing problems. Scattered on vacant lots across Boston, the partially completed eyesores sat vacant for over 10 years until the Infill Collaborative, a consortium of four CDCs – Codman Square, Quincy-Geneva Housing Development Corporation, Nuestra Comunidad, and Roxbury-North Dorchester Neighborhood Development Corporation – began the first phase of rebuilding the properties in the spring of 1988. The first units are now completed, and the initial sales and marketing efforts are underway. When completed, the units will be a mix of public housing, HOP, and market-rate condominium units.

■ **MAIN STREET** One of the most architecturally striking affordable housing developments in the Boston area is underway in Charlestown. The Charlestown EDC has built 32 new townhouse units on a parcel of land on Main Street previously owned by the BRA. Designed by William Lamb, the project consists of 16 HOP and 16 market units. Its brick and clapboard townhouse style and orientation blend in remarkably well with the existing neighborhood context, and provide a very attractive affordable housing opportunity.

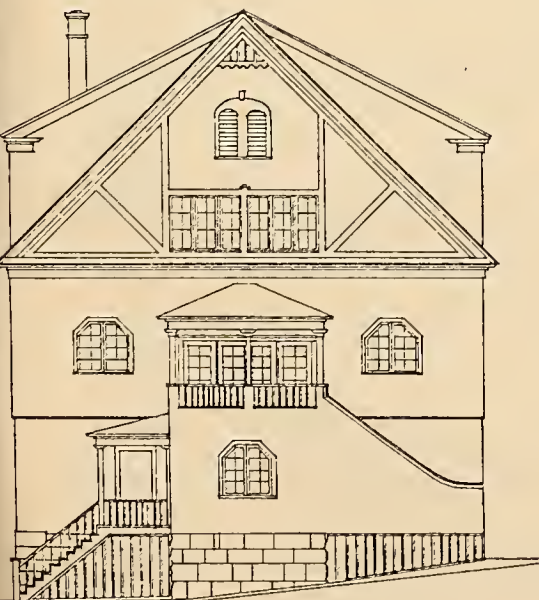


A Loomis Farm home constructed with native timber by the Franklin County CDC



Detail of South Holyoke Housing, a 42-unit rental rehabilitation project developed by Nueva Esperanza

Rendering of Rollstone House facade



■ **HOUSTON HOUSE** The Houston House represents the culmination of the work of a dedicated activist group, Women for Social Justice, in conjunction with the Department of Corrections. Located on the campus of the Dimock Community Health Center, the Houston House provides a transitional residential environment for incarcerated mothers with substance abuse problems. The adaptive reuse of the former laundry building on the site has created room for twelve families to receive counselling and services while stabilizing the families' living situation.

■ **HERITAGE COMMON** Heritage Common, a 140-unit SHARP-assisted rental housing development now under construction near downtown Lawrence, is using a unique ownership structure to facilitate eventual resident ownership. The developer, Immigrant City CDC, has structured a cooperative corporation controlled by tenants who will serve as managing general partner of the limited partnership of the project, which will be syndicated to raise equity. At the end of the 15-year rental housing holding period, the cooperative corporation may exercise its option to purchase the property and operate it as a direct housing cooperative. In the meantime, the tenants will have had substantial control over, and experience in, managing the residential complex.

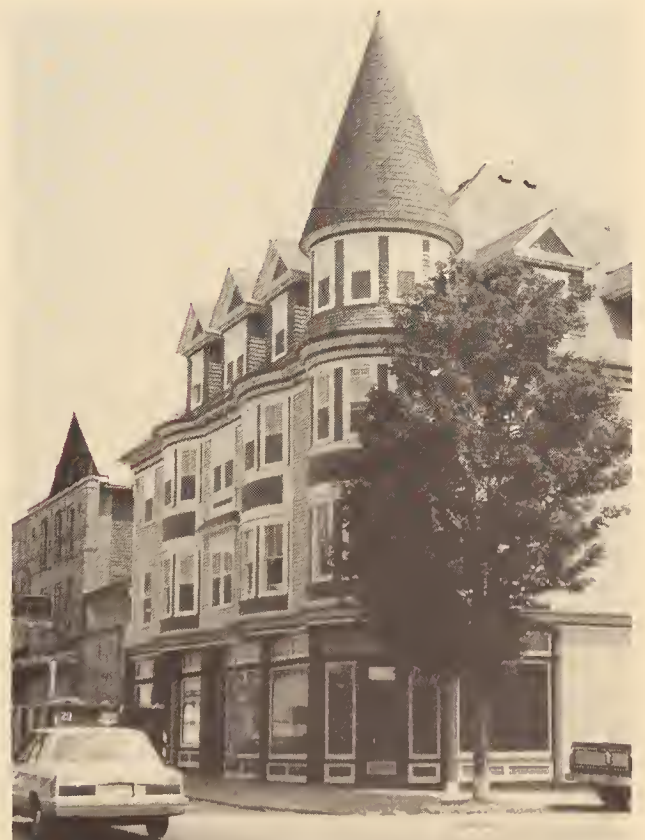
■ **ROLLSTONE HOUSE** The CDC of Fitchburg held the grand opening this winter for Rollstone House, its 13-unit transitional housing facility for parenting teenagers. The CDC received a major grant from HUD's McKinney Act program for transitional housing to help finance the adaptive reuse of a former social hall into this residential facility, which will also provide counselling and supportive services for the teenage parents.

■ **TOURAINÉ HOTEL** PACE, the community-action agency in New Bedford, has successfully completed the substantial rehabilitation of the former Touraine Hotel to 24 units of single-room-occupancy housing. The vacant hotel had been a major blighting influence on the North End commercial district in New Bedford, until PACE decided to renovate the property as its first housing endeavor. The project received SHARP assistance as well as financial support from the city of New Bedford.

■ **LOOMIS FARM** Loomis Farm was developed by the Franklin County CDC to show that affordable housing can be effectively linked with farmland preservation and the maintenance of the rural character of many of the Western Massachusetts communities. An additional benefit of this two-unit HOP development was the use of native lumber to produce attractive and economic housing units.

■ **UNION HILL TENANTS COOPERATIVE HOUSING** is a 10-unit property in Worcester rehabbed by the tenants concurrently with the tenant purchase of the three buildings and their conversion into a cooperative with the assistance of the Oak Hill CDC.

■ **GRANITE PROPERTIES** Eight CDCs – the Quincy Geneva HDC, Codman Square HDC, Urban Edge, Dorchester Bay EDC, Nuestra Comunidad, Lena Park CDC, and Fields Corner CDC – acquired and are renovating 926 seriously deteriorated low-income rental units. The properties were purchased from the U.S. Department of Housing and Urban Development. Besides lending more than a quarter million dollars to the effort, CEDAC had played a key role in proposing and formulating the purchase under the auspices of the Boston Housing Partnership.



PACE restored New Bedford's Touraine Hotel, creating new rental units

CEDAC's Development Assistance Loan Commitments All Funding Sources FY '89

Project Name	Organization Name	Program Description	No. of Units	% Affordable	Total CEDAC Commitments
"L" Street Cooperative Homeownership Project	Greenfield Area Community Land Trust	Acquisition and rehabilitation of existing six unit apartment building. Upon completion, conversion to limited equity cooperative, with all units affordable to moderate- and low-income residents.	6	100.0	3,000.
62-66 Green Street	Housing & Economic Resources for Women, Inc.	Acquisition and rehabilitation of a mixed-use building containing residential units, 13 of which are SRO units, and ground floor commercial space.	15	80.0	5,000.
640 Tremont Street	Inquilinos Boricuas en Accion	Redevelopment of the fire-damaged former Apostolic Faith Church into mixed-income ownership housing.	27	66.7	38,820.
Bank Row Elderly Housing	Franklin County CDC	10-12 units of elderly housing in rehabbed three story brick building in downtown Greenfield.	12	100.0	500.
Bowdoin Lodging Housing	Boston Citywide Land Trust	Acquisition and rehabilitation of three attached rooming houses (37, 39 and 41 Bowdoin St.) containing single room occupancy units and one commercial space (restaurant).	122	57.4	80,000.
Brookside Mobile Home Park	Miller's River Self Help Network CDC	Acquisition of a 33 unit mobile home park by the CDC for integration into a regional land trust ownership mechanism.	33	100.0	16,400.
Brookview House	Homeless Womens Housing Initiative	Construction of transitional housing for parenting teens on a largely vacant city-owned lot at 1059-1063 Blue Hill Avenue.	8	100.0	5,000.
Castle Square HUD Expiring Use Restriction Project	Castle Square Tenants Organization	The tenants organization is seeking to negotiate participation in the future ownership of the development, which is in the process of a transfer of physical assets under the requirements of the 1987 Emergency Low Income Housing Preservation Act.	500	100.0	9,500.
Cherry Hill Homeownership Project	Valley Community Development Corporation	New construction of 67 units of homeownership housing on a vacant parcel of land owned by the town of Amherst.	70	51.4	8,000.
Chestnut-Lamartine	Urban Edge Housing Corporation	New construction of about 50 townhouse units on vacant private, city and MBTA owned parcels in the Jamaica Plain section of the Southwest Corridor.	50	70.0	24,000.
Chestnut Street / Scattered Sites Coop	Jamaica Plain NDC	Perservation and conversion of an eight-unit apartment building occupied by low- and moderate-income families into a limited equity cooperative as part of the JPND's scattered-site coop program.	8	100.0	41,000.
Child Care and Youth Services Center	Dimock Community Health Center	New construction of a child care and youth services center, on the Health Center campus, to enable expansion capacity and relocation of existing services into one use-appropriate location.	0	0.0	10,000.
Church Street SRO	Friends of the Shattuck Shelter	The Friends propose to develop a vacant funeral home into an SRO for 12-14 single adults, who, without this housing would be in danger of being homeless.	14	100.0	25,000.
Clarendon Hill Towers	Clarendon Hill Towers Tenant Association, Inc.	Acquisition and preservation as lower-income housing, of a 500 unit HUD-subsidized 221 (d) (3) expiring use restriction project in Somerville.	500	100.0	133,600.
College Highway Apartments	Easthampton Housing for the Elderly	New construction of 40 units of elderly housing financed through HUD's 202 program.	40	100.0	15,000.
Columbia Road	Lifehouse, Inc.	Proposes to purchase single family brick townhouse in Dorchester for use as transitional housing for four homeless families.	4	100.0	9,340.
Commonwealth / Glenville Apartments	Allston-Brighton CDC	Acquisition of two HUD-subsidized Section 236 projects, totaling 235 units, for the purpose of preserving use as low- and moderate-income housing after expiration of HUD Use Restrictions.	235	94.5	78,000.
Cortes Street	Arlington Square CDC	Substantial rehabilitation of four SRO buildings in Bay Village to preserve 42 low-income single room occupancy dwelling units.	45	100.0	20,500.
ETC and Associates HUD Expiring Use Restriction Project	Inquilinos Boricuas en Accion	Conversion of a HUD-financed Section 236 project with a nonprofit controlled co-general partner into a limited equity cooperative.	71	100.0	10,000.
Erie / Ellington II	Boston NHS	New construction of 30 affordable condo units on vacant city-owned land, using MHFA and HOP financing, including sale of up to five units to the Boston Housing Authority.	30	50.0	40,000.
Essex Avenue	Wellspring House, Inc.	Proposes transitional housing for women and children. Approximately eight units can be accommodated on the present site area.	8	100.0	2,500.
Forest Hills Tenant Coop	Jamaica Plain NDC	Acquisition, rehabilitation and conversion of 16 rental units in the private market, to a limited equity cooperative.	16	100.0	35,000.
Garfield Avenue Cooperative	Northampton Area Community Land Trust	New construction of a 20-unit limited equity cooperative townhouse project.	20	50.0	3,300.
Geneva Avenue	Fields Corner CDC	The CDC proposes to construct eight mixed-income residential units for homeownership with two units to be sold to the BHA through the 705 program.	8	100.0	21,100.
Geneva Avenue Apartments	Codman Square HDC	Assistance to the tenant organization in influencing a stable workout of this distressed HUD subsidized property.	60	100.0	5,240.
Graduate House	Casa Esperanza	Development of an eight-bed "graduate" house for recovering alcoholic men. Casa Esperanza would acquire a four-unit building with 12 bedrooms and convert it into an SRO sober house.	6	100.0	2,525.
Granite Phase #2	Codman Square HDC	Proposes to redevelop 186 units of the HUD-owned Granite Properties.	186	100.0	66,400.
Hawley Street Limited Equity Cooperative	Worcester Cooperation Council, Inc.	The project will consist of the development of a 21 unit mixed income cooperative on the contiguous lots which make up the site.	21	52.4	14,000.
Homeless Families in Transition	Valley Opportunity Council, Inc.	Proposes the acquisition of four townhouses for homeless families as part of the Homeless Families in Transition program. Social services will be provided to help the families gain independence.	4	100.0	19,500.

CEDAC's Development Assistance Loan Commitments *(continued)*

Project Name	Organization Name	Program Description	No. of Units	% Affordable	Total CEDAC Commitments
Jamaica Plain Apartments	Urban Edge Housing Corporation	Propose to rehab 103 units of low- and moderate-income housing which Urban Edge acquired from HUD in 1982.	103	97.1	30,000.
Langham Court (Parcel RE-78)	Four Corners DC	30 units of market condominiums, 45 units of low- and moderate-income limited equity cooperatives, and 15 units of low-income single room occupancy housing – new construction on a vacant parcel in the South End.	90	66.7	16,000.
Lorne Street	Lena Park CDC	To assemble a four acre site abutting the Lena Park CDC's headquarters to develop as a residential neighborhood of 60 homes, financed as a syndicated limited equity cooperative.	60	65.0	40,000.
Low Cost Housing	Low Cost Housing Tenants Association	Rehabilitation and conversion of 72 units of low- and moderate-income, former HUD foreclosed, housing into a tenant owned cooperative.	72	100.0	11,000.
Lower Roxbury Tenant Coop	Boston Citywide Land Trust	The proposal calls for the acquisition and conversion of 70 units of privately owned rental housing into a tenant owned limited equity cooperative.	70	100.0	51,300.
Magazine Street	Homeowner's Rehab, Inc.	Substantial rehabilitation of a vacant, fire-damaged building near Central Square to produce ten residential rental units and two commercial spaces.	10	100.0	8,000.
Main Street Cooperative	Miller's River Self Help Network CDC	Acquisition and conversion of a four-unit Victorian house into a limited equity coop for the existing tenants.	4	100.0	4,500.
Marcella Street	Homeowner's Rehab, Inc.	Rehabilitation of a nine-unit, HUD-foreclosed rental property.	9	100.0	1,000.
Mission Hill Artist Housing	Mission Hill Artist Housing Corporation	Acquisition of 32,800 square feet of city and privately owned land for development of artist low income live-work cooperative studios and market condominiums.	12	75.0	36,000.
North Canal Apartments	Acre Triangle CDC	Acquisition and substantial rehabilitation of 267 units of multifamily rental housing via a negotiated sale with full Section 8 rental subsidy from HUD.	267	100.0	135,150.
Oakland Ridge (Granite Street SHARP)	New Housing Ventures, Inc.	Acquisition of a vacant 15-acre site and development into two-thirds low- and moderate-, and one-third market-rate rental housing. Subsidies to be sought include SHARP, RDAL, Ch 707 or Section 8 assistance and CDAG for connection to city lines.	54	66.7	35,000.
Parcel 6	Fenway CDC	New construction of 33 market-rate condominiums, 34 low- and moderate-income cooperative housing units, and a 24,400 square foot theatre for the Boston Shakespeare Company, on a BRA-owned site at Mass. Ave. and St. Botolph Street.	120	66.7	8,500.
Phillip Brooks School	Quincy Geneva HDC	Conversion of school into coop and new townhouse construction on site.	57	77.2	58,500.
Plain Road	Franklin County CDC	Site acquisition and construction of two new duplexes and two single family homes, subdivided lots in the town of Greenfield creating six condo units for sale through the HOP program.	6	100.0	5,500.
Portland Street	Homeowner's Rehab, Inc.	Substantial rehab of a vacant burned out shell building near Kendall Square to produce eight condominium units, all of which will be below-market units.	8	75.0	10,000.
Presidential Apartments	Brightwood DC	Acquisition and rehab of 67 units of existing multifamily housing in 10 buildings, to complete redevelopment of Belle & Franklin Streets. Public resources/SHARP/ Section 8 Mod Rehab and equity syndication (Historic and low-income housing tax credits.)	67	64.2	21,689.
Project Family Independence	Family Services of Greater Boston	Family services proposes to develop 15 new construction cooperative units for mothers and their young children. On site counseling and support will be provided. Day care facilities to be provided.	15	100.0	15,000.
Robinson Street	Fields Corner CDC	The CDC proposes to construct a total of 12 units of low-income housing for homeownership.	12	100.0	3,000.
Small Properties	Salem Harbor CDC	Acquisition and rehabilitation of 91 units of rental housing in Salem Point Neighborhood. Property to be held by CDC as low-income rental housing or assist existing tenants in the formation of a coop to eventually own property.	91	50.5	1,000.
South City Housing	Nueva Esperanza, Inc.	Rehab 33 units in five buildings and new construction of 56 units. All units in existing structure will be subsidized through c.707 Mod Rehab, Section 8 and c.707 certificates.	89	100.0	90,100.
Supportive SRO Units for Women	Cambridge YWCA	The YWCA will preserve SRO units through a redevelopment effort which uses proceeds of development rights to other parcels to raise capital to finance the SRO piece of the redevelopment.	107	70.1	15,000.
The Pines at "O" Street	Franklin County CDC	Construction of 10 detached single family homes on approximately 4.3 acres of land. Homes to be approx. 1200 s.f., 3 bdrm, with majority to be sold through the HOP program, and the remainder sold within MHFA single family homeowner-ship guidelines.	10	70.0	15,000.
Three Quarter Way House	Dimock Community Health Center	Acquisition and rehab of a property at Dimock and Washington Streets in Roxbury, for a three-quarter way house for recovering substances abusers.	20	100.0	1,000.
Walk Hill	Operation Food, Inc.	Acquisition and rehabilitation of an existing building in Mattapan, for conversion into a 10 unit house for pregnant homeless women in need of services.	10	100.0	9,200.
Warner Street Transitional Housing	NUVA, Inc.	Acquisition and minor rehabilitation of an existing single family house. The property will be used to house five families (mothers with children), who have been homeless, in a transitional housing program.	5	100.0	7,150.
Warren Street	Paul Sullivan Housing Trust	The PSHT proposes to rehabilitate a vacant building on Warren Street in Roxbury into 21 SRO units for low-income men and women.	21	100.0	11,000.
Webster Meadows 202	Webster Housing for the Elderly	Construction of 70 units of subsidized elderly and handicapped accessible rental housing under HUD's Section 202 program.	70	100.0	35,000.
Worcester House	Boston Aging Concerns	Acquisition and moderate rehabilitation of a lodging house in the Back Bay to preserve 15 single room occupancy and studio dwelling units.	15	100.0	15,000.
Total Projects: 58	Total Borrowers: 46	Total Units:	3660	88.0%	\$1,446,814.

A Tenth-Year Salute to the People Who Made CEDAC Work

*Melvin H. King, the father of
community economic devel-
opment in Massachusetts,
introduced the bill creating
CEDAC.*



Former State Representative Melvin H. King was honored at a reception marking CEDAC's 10th anniversary

CEDAC celebrated its tenth anniversary this year by honoring people who have made special contributions to its creation and development.

"CEDAC's recipe has four ingredients," explained Executive Director Carl Sussman at the anniversary reception – "a talented board of directors; a committed staff; political leadership that has placed Massachusetts in the national vanguard of state housing and community development policy-making; and, finally, the energy of hundreds of community activists who work in the state's many nonprofit organizations to develop more affordable housing and rehabilitate older neighborhoods."

In a proclamation marking CEDAC's anniversary, Governor Michael S. Dukakis noted in particular CEDAC's contributions in preserving HUD distressed properties and, more recently, its efforts to draw attention to the potential loss of expiring use properties.

Lieutenant Governor Evelyn Murphy represented the governor at the reception. In acknowledging the governor's years of

support for CEDAC, affordable housing, and the nonprofit development community, Sussman also noted Murphy's commitment, in *Blueprint 2000*, "to the future of affordable housing and the role nonprofit developers will play in making the Commonwealth a better place to live."

Communities and Development Secretary Amy S. Anthony was honored for "her extraordinary leadership in creating and preserving affordable housing in the Commonwealth." During her six years as secretary, Anthony has nurtured CEDAC's growth with added resources as it has demonstrated increasingly effective models for assisting nonprofit developers. Joseph Flatley, director of the Massachusetts Housing Partnership (MHP), represented Anthony, who was out of state.

The final tribute was to former State Representative Melvin H. King, whom Sussman called "the father of community economic development in Massachusetts." King introduced the original bill creating CEDAC, engineered its passage, and worked hard to protect the organization in its fragile early years. ■

CEDAC'S HISTORY IN BRIEF

July
Governor Dukakis signs House 5681, "An Act Establishing the Community Economic Development Assistance Corporation."

October
Governor presides over a swearing-in ceremony for his first nine appointees to CEDAC board of directors.

February
Carl Sussman, hired by the board as CEDAC's executive director, starts work. Board targets CEDAC's resources to job-generating venture development activities.

May
CEDAC's first grant: technical assistance to Neighborhood Development Corporation of Jamaica Plain for starting an energy audit and retrofit business.

January
Pursuing search for viable community-owned businesses, CEDAC holds a conference on cable TV for CDCs.

August
Technical assistance grant to Boston CDCs to structure a joint venture with a cable TV multiple-system operator and bid on the Boston franchise.

First technical assistance grant for housing development, to La Alianza Hispana for renovating 26 rental units and commercial spaces, is conceived as pilot project to assess value of this assistance for less experienced CDCs.

September
Internship program for graduate students launched to encourage them to work for community development organizations.

November
Start of Spot Technical Assistance grants designed to let CEDAC respond quickly to requests for small amounts.

February
First step from grants to lending: Recapturable Technical Assistance, or grants that are repaid if costs are financed with the construction loan.

April
Declaring pilot housing project a success, board of directors adopts housing policy and authorizes further technical assistance for housing.

September
Board votes assistance to Methunion Manor Tenants Council, CEDAC's first effort to preserve a HUD distressed property.

November
CEDAC holds a "Real Estate Partnerships Workshop" for CDCs.

1978

1979

1980

1981

1982

NOTES ON PEOPLE



Jeanette Hyatt, CEDAC's secretary and office manager

Being an occasional newsletter, CEDAC's *INSITES* sometimes finds itself reporting as news important comings and goings that may have occurred many months earlier. In this regard, organizational importance, not timeliness, is our editorial policy.

Shelly Dein, CEDAC's program administrator for almost four years, left CEDAC last year to become a project manager at the Quincy Geneva Housing Development Corporation in Roxbury. Our only consolation on losing such a bright, hard-working, and good-spirited colleague is that Shelly has chosen to turn her considerable energies to serving one of the scores of organizations CEDAC assists on an ongoing basis.

Shelly's departure has been smooth thanks to Theresa Williams, CEDAC's new program administrator. Theresa comes to CEDAC from State Street Bank and Trust Company, where she worked as an account controller. Theresa has played a critical role in automating CEDAC's lending activities.

CEDAC has received a much needed helping hand from Danny Violi, who has joined the staff as a senior project manager. Danny is the former executive direc-



Theresa Williams, program administrator, and Danny Violi, senior project manager

tor of Homeowner's Rehab in Cambridge. Danny, a licensed builder, started nine years ago at Homeowner's as a project manager and construction coordinator. He has overseen the development of a variety of cooperative and homeowner-ship projects.

Jeanette Hyatt has stepped in as secretary/office manager. Jeanette has extensive administrative experience. Most recently she was an administrative assistant at Harvard Community Health Plan and at the athletic department of the University of Massachusetts at Boston. She has used this experience and a take-charge attitude to whip the CEDAC staff into shape.

March
CEDAC commits resources to three housing projects, reflecting shift toward housing and deepening commitment to preserving HUD distressed properties.

July
Board adopts policy to focus resources on real estate development projects, especially affordable housing, rather than on business venture development.

December
City of Boston, Commonwealth of Massachusetts, and private sector form Task Force on HUD Distressed Projects, staffed by CEDAC. Effort helps preserve thousands of units of subsidized housing.

May
Boston contracts with CEDAC to provide technical assistance for nonprofit organizations working to preserve federally assisted rental housing, including some of Commonwealth's most distressed housing.

June
CEDAC encourages eight CDCs to acquire the Granite Properties from HUD, leading to renovation of 926 units as part of Boston Housing Partnership II.

January
Interest-free front money loans, repayable only if a project is successfully implemented, begin to replace recapturable technical assistance grants.

EOCD Secretary Amy S. Anthony commits \$300,000 to create a pilot Front Money Loan program, administered by CEDAC. By December, CEDAC has committed 90% of this capital.

July
Massachusetts Housing Partnership asks CEDAC to administer technical assistance resources for nonprofit housing developers. MHP plans to fund a \$3.5 million loan pool modeled on CEDAC's Front Money Loan fund.

July
MHP contracts with CEDAC to make \$2 million in loan guarantees for five nonprofit rental projects to secure bridge loans and go into construction in the wake of federal tax reform.



September
Massachusetts Council on the Arts and Humanities contracts with CEDAC to administer \$65,000 loan program for nonprofit organizations planning live-work space for low-income artists.

December
CEDAC agrees with EOCD to provide underwriting services for Housing Innovations Fund (HIF).

CEDAC

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*The Commonwealth
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Michael S. Dukakis,
Governor*

*Executive Office
of Communities
& Development*

*Amy S. Anthony,
Secretary*

CEDAC

*Carl A. Sussman,
Executive Director*

January

CEDAC receives final installment of MHP fund.

Massachusetts Council on Arts and Humanities adds \$35,000 to its CEDAC-administered loan fund for live/work space for artists.

January

MHP sends CEDAC \$1 million, the second of three installments to capitalize the MHP development assistance loan fund.

February

CEDAC's first HIF loan: to Fenway CDC for handicapped family housing.

November

CEDAC's role in HIF expands from underwriting loans to include legal aspects of closing them.

March

Repayments of CEDAC-originated MHP loans top \$1 million.

April

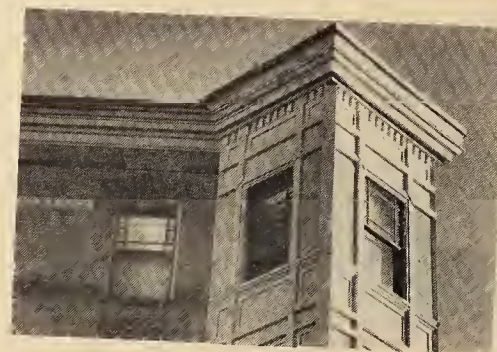
CEDAC agrees to act as fiscal agent for Housing Innovation Fund and disburses first HIF mortgage.

June

Fiscal year closes with record number of development assistance loans, over \$1.4 million.

1988

1989



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